

<p style="text-align: center;">Invitation to Submit Statements of Qualifications to Acquire and Redevelop Selected Asheville, North Carolina City-owned Properties</p>

**Request for Qualifications (RFQ) # OED-1 [APO]
[For Adjacent Property Owners Only]**

Developer qualifications will be received by the City of Asheville's Office of Economic Development, 29 Haywood Street, Asheville, North Carolina 28801 **until 3:00 p.m. (EDT) Thursday, September 27, 2007.** This invitation to submit qualifications is only being extended to those persons or parties owning property immediately adjacent to the three city-owned properties outlined in this RFQ. Those submitting their qualifications are required to furnish the information as described in Section N of this RFQ.

A. Offering

The City of Asheville (the City) through its Office of Economic Development is offering a number of well located sites in or near the City's downtown for reuse or redevelopment. These sites are available for redevelopment by firms or individuals who will be invited to submit more detailed proposals for specific properties following this initial RFQ. It is expected a shortlist of these firms will be prepared by City staff and its consultants and only those responding to this RFQ will be asked to participate further. Specific design solutions for the property(ies), content to be included in the development agreement, as well as price and terms for implementation will be requested of short-listed proposers as part of the Phase 2 Request for Proposals.

It is the desire of the City that any development proposed for the various sites will be consistent with the *Downtown City Center Plan* and the *Asheville City Development Plan 2025*. The City began evaluating specific city-owned sites for reuse or redevelopment in January 2007 and has identified three sites for this initial RFQ process. The various land uses identified for the sites include hospitality, retail, restaurant, office and residential. Mixed use developments with strong pedestrian scale and urban design characteristics have been identified as preferred goals. Additional goals include revitalization within the downtown area, promotion of pedestrian traffic and activity use throughout the day and evenings, as well as enhanced linkages to and compatible development with adjacent neighborhoods. Further goals include development projects that respect Asheville's historic designation and projects that provide workforce housing in and near the central business district. The City also has goals that focus on green building and sustainable development and integrated public parking.

Public support and ownership of the site(s) will allow the opportunity for substantial creativity and expedited implementation.

B. Concept

Though not required as part of the RFQ submission, respondents will ultimately be encouraged to exercise creativity in defining a concept that satisfies the vision of the City Center Plan, Asheville City Development Plan 2025, applicable zoning or entitlements, and sound real estate development practices. This vision anticipates a mix of uses that includes retail, restaurant, office, and residential (both renter and owner options) as well as hospitality and entertainment opportunities. **The RFQ submission should provide examples of innovative and creative developments which the members of the team have advised/designed/developed.**

C. Ownership of Property

The properties associated with this offering are owned by the City of Asheville with the exception of the Eagle-Market Street properties currently owned by the Eagle Market Street Development Corporation. There may be other adjacent property, privately owned and controlled, that could be considered as part of development options. The City cannot commit such private properties but will be supportive to the extent appropriate to facilitate further public-private partnering.

D. Financial and Other Support

The City, in order to achieve its stated goals for the redevelopment of the subject property(ies), may consider offering bidders incentives such as tax credits, parking, regulatory approvals, etc. for redevelopment of the subject properties. These potential incentives will be addressed in the RFP part of the process.

E. Zoning

The current zoning classification(s) allows a variety of uses with very specific criteria. Based on the ultimate approved development program, the City will consider modifying the zoning to accommodate the new land uses. **The City will be a cooperative partner in pursuing any permits or approvals that may be required to expedite the selected development plan.**

F. General Process

This is a two-phase selection process. Phase one begins with the receipt of developer qualifications. These qualifications shall consist of a description of the Development Team including a list of professionals to be assigned to the project, their academic/professional background and experience with similar projects. In addition, a list of similar projects completed by the Development Team within the last ten years, including references with current addresses and phone numbers must be provided. Project descriptions must include details addressing the square footage, number of units, parking, year of construction, methods of financing, current status, and the

specific roles of the proposed team members as principal, consultant, general partner, designer, or other.

Following a review of the submissions, a shortlist of Development Teams will be invited to submit more detailed proposals under the conditions described in a subsequent **Phase Two Request for Proposal (RFP)**. **Based on the detailed proposals to follow, a Development Team will be selected and will be extended exclusive rights to develop the property for a specific period of time. A Developer's Agreement will be negotiated and used as the instrument to define the roles and responsibilities of the parties.**

G. Terms and Conditions of the RFQ

A selection committee appointed by the City will screen the submissions. It is expected there will be no communication with parties other than those specifically noted herein and such communication will be exclusively for clarification regarding procedures and objectives. The City prohibits communication to or with any department, bureau or employee during the submission process. In addition, no communications may be initiated by a proposer to any City Official or persons involved in evaluating or considering the proposals prior to the time an award decision has been made. Communication with any parties for any purposes other than those expressly described herein may cause an individual firm, or team to be disqualified immediately from participating in the development solicitation.

It is extremely important all potential respondents are given clear and consistent information. Therefore, all respondents are required to submit any questions related to this project or selection process in writing so answers can be distributed to all registered respondents. Questions about the interpretation of specifications or the RFQ process should be directed in writing to Mr. Sam Powers, Economic Development Director, City of Asheville, at spowers@ashevillenc.gov. Questions must be received in ample time before the period set for the receipt of qualifications submittals. No inquiries, if received within ten (10) days of the date set for receipt of qualifications submittals will be given any consideration. Any interpretation will be available to prospective proposers in the form of an addendum to the specifications which, if issued, will be available no later than five (5) days prior to the date set for receipt of qualifications submissions.

We strongly encourage those parties wishing to submit qualifications to register with the Office of Economic Development at spowers@ashevillenc.gov or by calling (828) 259-5433. It is the responsibility of all parties planning to submit qualifications to contact the Asheville Office of Economic Development prior to submitting qualifications to ascertain if any addenda have been issued, to obtain all such addenda, and to return executed addenda with the proposal.

The City of Asheville has adopted a Minority Business Plan to encourage participation by minority businesses in the award of contracts. Participants are hereby notified that this RFQ and subsequent RFP process are subject to the provisions of that Plan.

Questions regarding the Minority Business Plan may be directed to Brenda Mills, Coordinator at the Minority Business Program, 29 Haywood Street, Asheville, NC 28801 or by phone at (828) 232-4566 or bmills@ashevillenc.gov. Respondents can access certified minority firms for subcontracting purposes online at <http://www.ips.state.nc.us/ips/vendor/srchven.asp>. It is the policy of the City to (1) provide minorities an equal opportunity to participate in all aspects of its contracting and procurement programs and (2) prohibit any and all discrimination against persons or businesses in pursuit of these opportunities.

The City of Asheville reserves the right to accept or reject any or all Statement(s) of Qualifications, with or without cause, or to accept Statement of Qualifications and begin direct negotiation, which, in its sole judgment, best serves the interest of the City. All decisions related to this solicitation by the Selection Committee and City Council will be final.

The City reserves the right to request clarification of information submitted and to request additional information of one or more respondents.

Costs for preparing the Statement of Qualification in response to this request are solely the responsibility of the respondent.

During the RFP process, the City may elect to entertain questions *confidentially* to preserve the trade or business practices of respondents but this decision has not yet been made.

It will be necessary for responding parties to comply fully with the general terms and conditions outlined in this document if they are to be considered. A letter attesting the respondent has read and understands all procedures is a part of the initial submission requirements (Use Attachment A).

H. Anticipated Schedule and Sequence of Events

The City of Asheville has established a schedule for submitting qualifications and for completing selection of the preferred Development Team(s). It will be incumbent on each respondent to understand the importance of adhering to this published schedule. Respondents shall assume full responsibility for the timely delivery of the qualifications. Qualifications received after the deadline stated will not be considered. **The City, however, reserves the right to amend milestone dates.**

Public Open House	Thursday, September 6, 2007
Questions/Clarifications regarding the RFQ due	no later than Monday, September 17, 2007
Last day for any addenda to be issued	Friday, September 21, 2007

Submission of qualifications due no later than 3:00 p.m. (EDT), Thursday, September 27, 2007.

Evaluation and City Council Review for Approval of Pre-qualified Developer List (Announced short list of qualified Development Teams)	Tuesday, October 9, 2007
Meet with short listed teams to discuss subsequent RFP procedures	early November, 2007
Formal Request for Proposal (RFP) documents distributed:	November, 2007
Comprehensive RFP responses due from short listed firms by:	end of February, 2008
Interview with respondents, if necessary:	March, 2008
Detailed proposals ranked by:	March, 2008
City Council Approval of Rankings	April, 2008
Negotiations with preferred Development Team for each site initiated by:	April, 2008

I. Project Description

Downtown Asheville is the economic center of western North Carolina. It is therefore essential that redevelopment of the subject sites leverage both the inherent land value as well as the economic potential of the sites within this economic center. Present land uses in Asheville's downtown range from commercial office and hotel to residential uses of varying densities, creative re-use of older warehouses, concentrations of institutional and government operations, vibrant street-front restaurants and retail, and very limited supply of vacant commercial land for redevelopment. Much of the new development activity in the center city is occurring on older improved sites that require demolition to redevelop. Respondents should become familiar with recent revitalization efforts and history of downtown Asheville.

Sites and Planning Considerations

A.) **Haywood Street Properties at Civic Center:** This site is located immediately southwest of the Asheville Civic Center and is bounded by Haywood Street and Page Avenue. The 0.77 acre site is comprised of four parcels and is zoned CBD (Central Business District) which has no density, intensity or height limits and allows for a wide range of commercial, office, residential, tourist accommodation and other uses. Currently, the site is occupied by one- and two-story commercial buildings, surface and low intensity structured parking.

The site is most appropriate for a hotel with structured public and private parking and complementary commercial space. Other uses that fully leverage linkages to the Civic Center may be appropriate as well.

B.) **Eagle-Market Street Properties:** This site is currently owned by the Eagle Market Street Development Corporation and is being included in this RFQ-RFP

process in cooperation with the City of Asheville. The site is located at the southwest corner of Eagle Street at South Market Street. The redevelopment opportunity consists of two development sites containing four parcels and totaling 0.31 acres. The larger of the two development sites (northernmost site) includes 0.23 acres. The potential exists to acquire a privately held parcel to connect the two Eagle-Market Street development sites into a larger 0.41 acre site--the current private ownership has expressed interest in including its parcel in the RFQ/RFP process but no method has been arranged with this owner as of yet. All of the properties are zoned CBD (Central Business District). The CBD zoning designation has no density, intensity or height limits and permits a wide range of commercial, office, residential, tourist accommodation and other uses. Currently, the site is occupied by primarily vacant one- to three-story commercial buildings and surface parking. The sites are part of the South Pack Square Redevelopment Area for which a redevelopment plan exists. Respondents should become familiar with that plan.

The site is most appropriate for office condominiums or multifamily residential. Other uses that fully leverage the site's attributes and economic value may be considered as well.

C.) Office of Economic Development Property:

Please Note: This site has been removed from the original May 2007 RFQ offering as a result of City Council action taken at the August 21, 2007, City Council workshop and is no longer available for acquisition and redevelopment at this time.

D.) Park Maintenance Properties: This site is located on the western edge of the central business district between the River Arts District and the downtown core. The current underlying zoning may not be sufficient to accommodate higher goals for up to 40 units per acre. The City will consider rezoning to meet appropriate goals. The redevelopment opportunity consists of six parcels (some non-contiguous) totaling 3.61 acres zoned CB1 (Community Business 1 District). The CB1 zoning designation allows for medium-density business and service uses, residential, recreational, institutional, public/semi-public or office/business uses. Currently, the site is partially occupied by low intensity sheds and warehouses that serve park maintenance functions.

The site has been determined to be most appropriate for multifamily residential with limited supporting commercial uses. Other uses that fully leverage the site's attributes and economic value may be considered as well.

Attachment B presents additional mapping information for the three properties (A, B and D) outlined above. Additional due diligence information will be made available to the pre-qualified development teams as part of the RFP process.

The following is a general site location map of the three properties.



A—Haywood Street Properties at Civic Center
B—Eagle-Market Street Properties
D—Park Maintenance Properties

Site Development Interest

As part of the submission, the City would like the responding Development Teams to review the above described sites and **rank the sites in order of the development team's interest and development priority** (one being the highest priority, two being second highest, and so on) **(Use Attachment C)**. If any or all sites are determined to be equal, please indicate as such. If you have no interest in a particular site(s), please indicate "No Interest" on Attachment C.

The following general assets, issues and opportunities have been identified with regard to the subject sites:

Assets

- Potential for leveraging activities at and synergy with the Civic Center
- Character of the CBD in attracting vibrant commercial and residential developments
- Available City-owned land with potentially attractive terms
- Parking and traffic concurrency exemptions
- Public-private partnering opportunities
- Supportable housing demand and overall real estate activity

Issues

- Parking may be inadequate in the downtown, especially during peak demand and as new development occurs
- Need for maintaining and enhancing pedestrian connectivity
- Existence of obsolescent/underutilized structures that require demolition
- Design standards, including historic preservation of significant buildings
- Relocation of public uses may be required
- Timing and intensity of anticipated redevelopment of subject sites
- Community's desire for mixed use developments
- Integration of opportunities for primary resident housing, including workforce housing

Opportunities

- Potential partial expansion/redevelopment of the Civic Center and a linkage to a new mixed-use hotel development
- Flexible zoning and cooperative support for changes, if necessary, to provide opportunities for a variety of development options and intensities
- Ability to master plan a large site to integrate appropriate land uses and create positive synergies between major activity anchors
- Creation of high quality cornerstone projects in and near the downtown core
- Streetscape improvements
- Redevelopment opportunities on vacant and underutilized land
- Additions of close-in affordable workforce housing supply
- No specific requirements for parking
- Possibility of other private lands leveraged through public support

J. Project Goals

The City of Asheville has identified goals it is targeting through the redevelopment process for the subject properties. These goals will provide a general framework for evaluating developer qualifications and subsequent developer proposals.

The following are expressed goals of the City (presented in no particular order):

- Create opportunities for new workforce housing
- Generate tax base enhancement
- Pursue smart growth development pattern
- Pursue development consistent with realistic market opportunities
- Create development opportunities that are attractive to conventional and/or innovative developers
- Support a reasonable and identifiable path to redevelopment of subject sites in the next 2 to 4 years
- Focus City efforts to be results-oriented
- Keep process transparent to avoid the appearance of special interest conflicts
- Seek high standards and best utilization of public assets
- Pursue economically and environmentally sound, sustainable developments

- Consider opportunities for potential public space within development sites
- Respect and involve local business interests in design, construction, investing and utilization
- Support the City's Minority Business Plan
- Promote a live, work and play environment in the downtown
- Incorporate cost-benefit of relocating any municipal facilities in decision-making
- Limit direct and secondary impact on taxpayers

K. Architectural and Urban Design Considerations

The project should include quality architectural and urban design standards that enhance the city center and connectivity to adjacent neighborhoods. Project designs must respect the attractive and historic character of downtown Asheville and its significant buildings. The City has specific CBD design standards which require project review by the City's Downtown Commission.

L. Commitments to This Project

The City of Asheville fully supports this project, recognizing its value to the economic vitality of the community. By enhancing the subject property(ies) with new and renovated amenities, neighboring residents and visitors to the area will benefit. The *Downtown City Center Plan*, developed with significant public input, is evidence the subject sites are major focal points for redevelopment and considered critical to the future of downtown and the community.

The *Asheville City Development Plan 2025* was developed as a guide for future investment to ensure that elements are consistent with the overriding goal to make the area a viable community center, be a catalyst for additional reinvestment, stimulate a well designed mix of commercial and civic activities, and strengthen the downtown as the economic center of the region.

M. Documents Available For Review to Assist with Due Diligence

To better understand the City's objectives, as well as the opportunities and constraints for redeveloping the site(s), the following documents are available in electronic format and may be obtained from the City of Asheville's web site at <http://www.ashevellenc.gov/rfq.html>

- City Center Plan
- Asheville City Development Plan 2025
- Asheville Market Overview and Recommended Real Estate Strategy for Selected Redevelopment Sites (prepared by Real Estate Research Consultants, April 9, 2007)
- May 22, 2007 Asheville City Council Presentation (prepared and presented by Real Estate Research Consultants)
- HEART District Task Force Presentation (March 19, 2002)

- Unified Development Ordinance
- CBD Design Guidelines

In addition, the City is currently acquiring/preparing the following due diligence items which will be available for short listed development teams as part of the Phase 2 RFP process:

- Property Title
- Boundary surveys
- Phase 1 environmental assessment
- Relevant maps and zoning
- Utilities and services
- Identification of special regulations on property (if any)
- Draft Development Agreement

These items are being assembled or prepared to speed the due diligence process and the actual sale or closing of the particular property(ies).

N. Submission Requirements

At a minimum, the following must be submitted with your qualifications **(one (1) original and eight (8) copies of all documents)**:

1. Cover letter describing the makeup of the development team, each member's relevant experience and the key personnel involved. Clearly identify probable role(s) as principal, consultant, general partner, designer, or other. Please clearly identify any team members having permanent local offices in the Asheville area and address the familiarity of the team or individuals with downtown Asheville. Also, please address whether or not the members of the team have previous experience working together or in Asheville.
2. A signed letter attesting the respondent has read and understands all procedures outlined in this RFQ **(Use Attachment A)**.
3. The Development Team's list of those sites in which they have interest in ranked priority order **(Use Attachment C)**.
4. Provide a description of at least three (3) examples of development projects completed within the last ten years that the respondent determines most relevant to the City's proposed programmatic concept. The focus should be on the relevant issues, problems, obstacles overcome and opportunities realized as a result of the respective team member's involvement. Note specifically previous role(s) as principal, consultant, general partner, designer, or other. In particular, identify any projects that were public-private partnerships and explain the level and nature of that experience and the roles of the team members. Project

descriptions must include details addressing the square footage, number of units, parking, year of construction, methods of financing and current project status.

Please demonstrate the teams and principals' financial capacity and capability to successfully finance new projects of this scope and scale.

In addition to the example projects above, identify any development experience with projects completed, underway or planned in the Asheville area.

5. References from three (3) projects (with names, addresses, phone numbers and email addresses), the respondent deems relevant to the proposed development objective. If there is more than one member of the proposal team, provide three (3) references for each.
6. Executed Addenda if any addenda were issued following the release of the RFQ.

The submissions must be received by 3:00 p.m. (EDT), Thursday, September 27, 2007, and should be addressed as follows:

Mr. Samuel Powers, Director
Office of Economic Development
City of Asheville
29 Haywood Street
Asheville, North Carolina 28801

Attachment A:

Understanding of RFQ Procedures, Terms and Conditions

(To be returned with qualifications submission)

**Invitation to Submit Qualifications
City of Asheville, North Carolina
RFQ # OED-1 [APO]**

I acknowledge I have read and understand all procedures and requirements of the above referenced RFQ and have complied fully with the general terms and conditions outlined in the RFQ.

Development Team: _____

Representative's Signature: _____

Representative's Printed Name: _____

Date: _____

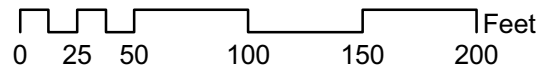
Attachment B:

Property Mapping Information (see three attached maps)

Civic Center Area Site

0.77 Acre

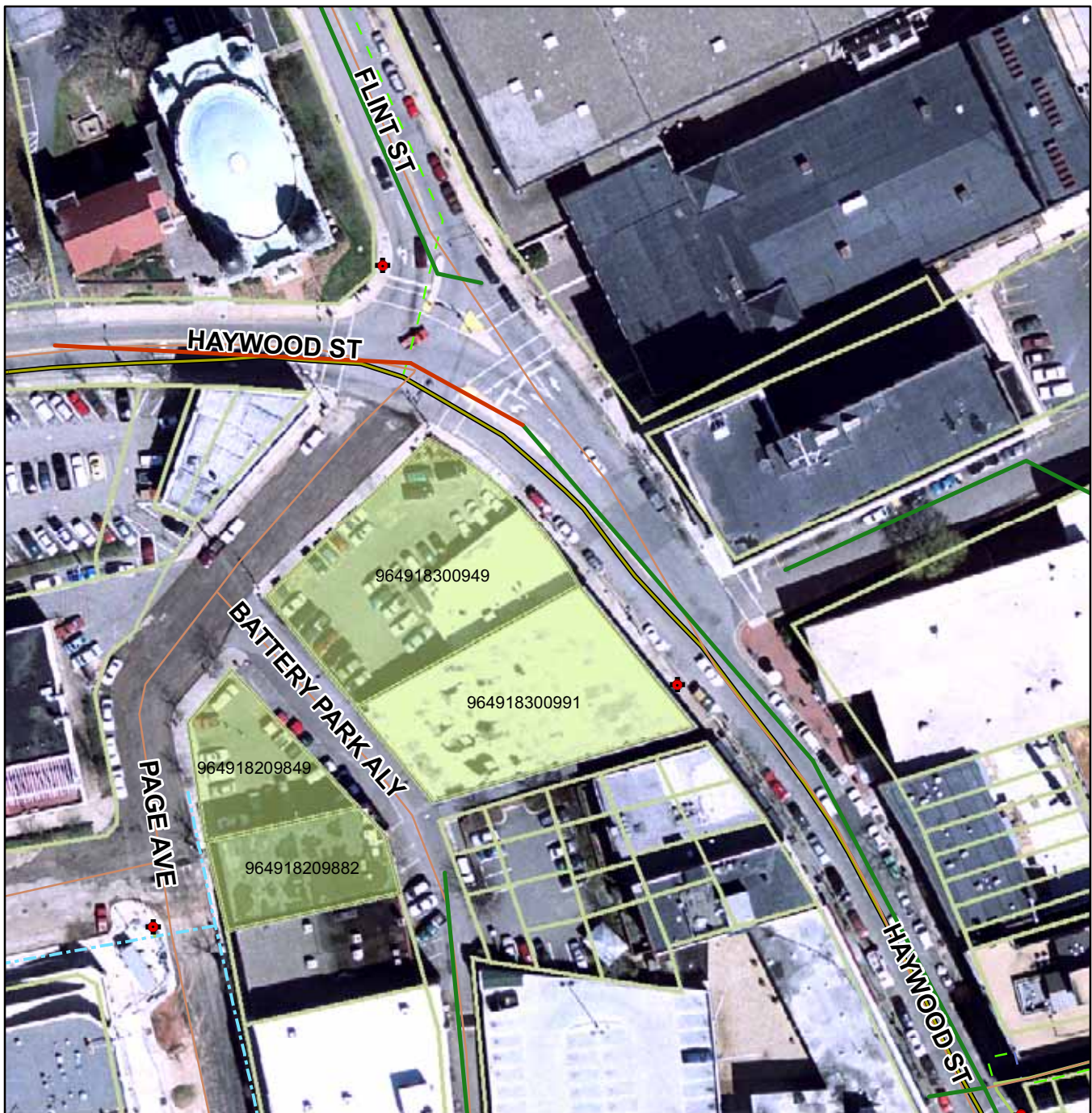
- Streets
- Specified City-Owned Properties
- Specified Non City-Owned Properties (None shown)
- Other Property Lines



Water Main Diameter	MSD PIPES SUBTYPE
--- 2	— Gravity
--- 4	— Unverified Sewer
--- 6	+ Fire Hydrant
--- 8	
--- 12	



Map prepared May 8, 2007
Aerial imagery captured in 2002



Eagle/Market Street Site Potentially up to 0.41 Acre

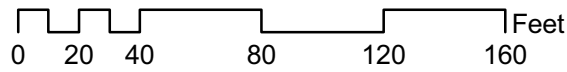


Streets

Specified City-Owned Properties ((None shown)

Specified Non City-Owned Properties

Other Property Lines



**Water Main
Diameter**

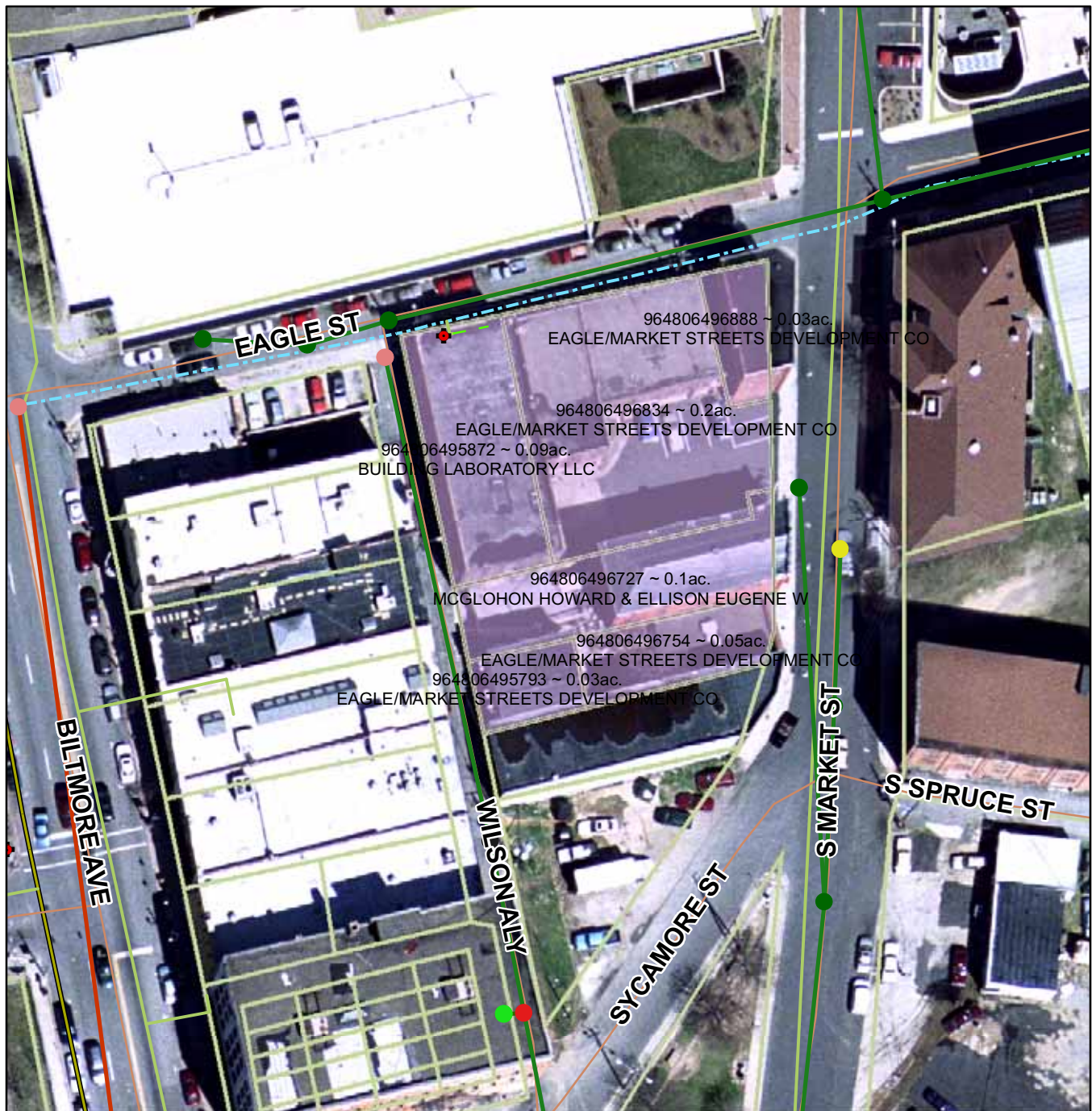


Fire Hydrant

**MSD PIPES
SUBTYPE**



Map prepared May 8, 2007
Aerial imagery captured in 2002

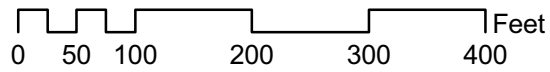


Park Maintenance Site

3.61 Acres



- Streets
- Specified City-Owned Properties
- Specified Non City-Owned Properties (None shown)
- Other Property Lines



- | Water Main Diameter | MSD PIPES SUBTYPE |
|---|---|
| --- 2 | — Gravity |
| --- 3; 4 | — ServiceLine |
| — 6 | — Unverified Sewer |
| — 16 | + Fire Hydrant |

Map prepared May 8, 2007
Aerial imagery captured in 2002



Attachment C:

List of Sites in Ranked Priority

(To be returned with qualifications submission)

**Invitation to Submit Qualifications
City of Asheville, North Carolina
RFQ # OED-1 [APO]**

Development Team: _____

Representative's Signature: _____

Representative's Printed Name: _____

Date: _____

Please rank the following three sites in terms of your development team's interest and development priority (one being the highest priority, two being the second highest, and so on). If any or all sites are determined to be equal, please indicate as such. If you have no interest in a particular site(s), please indicate "No Interest".

Haywood Street Properties at Civic Center _____

Eagle-Market Street Properties _____

Park Maintenance Properties _____